

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1488 - HB 1973

March 24, 2011

SUMMARY OF BILL: Prohibits any person or entity from engaging in the business of making adjustable rate mortgage loans unless such person or entity is an authorized lender. Requires an authorized lender, prior to accepting an application for an adjustable rate mortgage loan, to refer the borrower to a counselor and receive certification from the counselor that the borrower has received counseling. Invalidates an adjustable rate mortgage that does not contain counselor certification and converts it to a fixed rate loan at the prime interest rate at a competing financial institution at the time of the invalidation of the adjustable rate mortgage.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumption:

- The Department of Financial Institutions will implement and regulate the provisions of the proposed legislation. Any regulatory or costs incurred are estimated to be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/bos

SB 1488 - HB 1973